

ASSEMBLY BILL

No. 1154

Introduced by Assembly Member Frommer
(Coauthor: Senator Ortiz)

February 21, 2003

An act to add and repeal Section 127032 of the Health and Safety Code, relating to health planning.

LEGISLATIVE COUNSEL'S DIGEST

AB 1154, as introduced, Frommer. Office of Statewide Health Planning and Development: hiring freeze: exemption.

Existing law requires the Office of Statewide Health Planning and Development to perform various functions and duties with respect to health facilities, health policy and planning, and health professions development.

This bill would exempt the office from any hiring freezes and staff cutbacks until January 1, 2013.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Under the Hospital Facilities Seismic Safety Act (HFSSA)
4 (Chapter 1 (commencing with Section 129675) of Part 7 of
5 Division 107 of the Health and Safety Code), California general
6 acute care inpatient hospital buildings are required to meet life
7 safety standards by 2008. Hospitals may be eligible for up to a

1 five-year extension of the 2008 deadline. The act also requires all
2 general acute care inpatient hospital buildings to be in substantial
3 compliance with the HFSSA by 2030.

4 (b) The purpose of the mandate is to ensure that hospital
5 patients and workers are safe during an earthquake and that the
6 public can access hospital services following an earthquake. The
7 California Healthcare Association conservatively estimates the
8 cost of the seismic mandate at \$24 billion without financing costs.
9 The RAND Corporation estimates the mandate could cost as much
10 as \$41 billion without financing costs.

11 (c) The Office of Statewide Health Planning and Development
12 (OSHPD) conducts plan review and area compliance of all
13 hospital projects. General Fund money does not pay for OSHPD
14 Facilities Development Division (FDD) costs. The costs are paid
15 for by hospitals through a 1.64 percent fee assessed on a project's
16 cost.

17 (d) OSHPD's goal is to complete the initial review of a project
18 in 60 days and to complete any subsequent reviews in 30 days. For
19 a major project, such as a new hospital, OSHPD estimates the time
20 to review the initial project and all subsequent checks necessary to
21 complete the review is one year. Due to the review process and the
22 stricter seismic standards, it takes approximately five years to
23 build and open a new hospital in California. This compares to the
24 two to three years it would take to build a similar hospital in most
25 other states. The existing plan review and area compliance process
26 adds considerably to California hospital's construction costs.

27 (e) With the large number of projects being submitted to
28 OSHPD FDD to meet the seismic compliance standards, delays of
29 one week could add millions of dollars to costs to California
30 hospital construction and retrofits.

31 (f) Therefore, it is essential that OSHPD FDD has adequate
32 resources to carry out the plan review and area compliance
33 activities required by the seismic mandate. To ensure that this
34 incurs, the OSHPD FDD needs to be exempt from any state hiring
35 freezes and staff budget cuts until the mandate is met by January
36 1, 2013.

37 SEC. 2. Section 127032 is added to the Health and Safety
38 Code, to read:

1 127032. (a) Notwithstanding Section 12439 of the
2 Government Code or any other provision of law, the office shall
3 be exempt from any hiring freezes and staff cutbacks.

4 (b) This section shall remain in effect only until January 1,
5 2013, and as of that date is repealed, unless a later enacted statute,
6 that is enacted before January 1, 2013, deletes or extends that date.

